

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 849 – SB 994

March 4, 2011

SUMMARY OF BILL: Classifies as an unfair claims practice the failure to follow the standards established in Tenn. Code Ann. § 56-7-118 for insurance claims arising from automobile liability insurance. Defines “claim” and “insurer.” Requires insurers to acknowledge within 10 business days, receipt of a claim notice, and to provide claim forms, instructions, and reasonable assistance to claimant. Requires insurers to complete claim investigations within 30 business days from receipt of a claim notice, or if unable to do so, provide a notation in the claim file as to the reason for non-completion. Requires insurers to advise claimants of acceptance or denial of a claim within 15 business days after the insurer receives a properly executed proof of loss statement, with denials made in writing. Establishes additional deadlines for notification by insurers to claimants if the insurer requires more time to determine whether to accept or deny the claim. Prohibits insurers from failing to settle claims on the basis that responsibility for payment should be assumed by another party unless provided for within the policy provisions.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumption:

- According to the Department of Commerce and Insurance, this bill creates no additional responsibilities for the Department. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

/sbh

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